



NYSERDA



conEdison, inc.

Business Energy Pro

A Pay for Performance (P4P) Initiative

RFP Webinar and FAQs

August 29, 2019

Agenda & Meeting Objective

- Provide additional guidance to applicants on Pilot design elements, process, approach and RFP requirements
- Address all public comments and questions received
- Support successful RFP responses
 - Proposal Package Guidance
 - Eligibility
 - Payment Process
 - Bid-worksheet
- Confirm timeline and next steps

So you're planning to apply....

Business Energy Pro Request for Proposals

NYSERDA and Con Edison are soliciting proposals from interested service providers.

- [Business Energy Pro Request for Proposals \(RFP\)](#) [PDF]
- [Attachment A - Bid Package Workbook](#) [XLSX]
- [Attachment B - Intent to Propose](#) [PDF]
- [Attachment C - Vendor Qualification Application](#) [PDF]
- [Attachment D - Glossary](#) [PDF]
- [Attachment E - Fractional Savings Uncertainty and Portfolio Sizing](#) [PDF]
- [Attachment F - Draft M&V Plan](#) [PDF]
- [Attachment G - Green Button Connect Process](#) [PDF]
- [Attachment H - Sample Agreement](#) [PDF]
- [Attachment I - Data Security Agreement and Self Attestation](#) [PDF]
- [Attachment J - Customer Consent](#) [PDF]

Corrected Workbook available on the website!



Proposal Package Guidance

- **Is it possible to bid more than one solution/design?**
 - Yes, you can propose multiple “sub-portfolios” as part of one bid package that represent different target audiences and measure mixes.
- **Is it possible to include any "clean energy" solution as part of a bid package?**
 - Yes, except for renewable technologies that cannot be part of a bid package. Heat pump technologies are allowed.
- **What type of incentives or % of payment are Customers expected to receive/be eligible for?**
 - It is up to you as a Portfolio Manager to determine what financing or incentives to offer your Customers. Con Edison reserves the right to review Customer Project Agreements to ensure Customer rights are protected.
- **Is there a minimum number of Projects that Portfolio Managers need to secure?**
 - NYSERDA, Con Edison and the AMV Solutions Provider have modeled different combinations of savings depths and Portfolio sizes to support confidence in savings estimates across a Portfolio of Projects for the Pilot. The bid package workbook automatically calculates this fractional savings uncertainty (FSU) for your Portfolio. All bidders are encouraged to provide a Portfolio level FSU of 25% or less.

Proposal Package Guidance

- **Does a Portfolio Manager's bid package workbook need to be comprehensive or can bidders use this document to show a core approach that will be augmented by other measures on a Project-specific basis?**
 - A core approach that will be augmented is acceptable. The P4P Pilot has been designed to support a comprehensive measure agnostic approach to delivering energy efficiency services to the SMB market. Any change that impacts a Portfolio Manager's Portfolio performance compared to their proposal may result in a contract modification.
- **Can Portfolio Managers target and work with business / end-user groups other than what they have identified in their bid package workbook?**
 - A bidder's response to the RFP will be scored based on their knowledge of the SMB market and experience working with identified end-use Customer groups. Portfolio Managers are allowed to expand their offerings to other end-use customers not identified in their original proposal. All marketing to Customers must be coordinated with Con Edison to minimize Customer confusion. Any change that impacts a Portfolio Manager's portfolio performance may result in a contract modification.

Proposal Package Guidance

- **What is the blended average cost per unit (\$/kWh and \$/therm) for each category of Customer identified in the RFP and bid workbook?**
 - Eligible electric Customers for this Pilot are categorized under service class 2 or 9; eligible gas Customers are categorized under service class 2 rate 1. All Customer segments identified in the RFP are charged at the same rate under the same service class. The rates and tariffs by Rate Classes are publicly available here <https://www.coned.com/en/rates-tariffs/rates>.
- **How does the category "All Others" on Page 8 of the RFP relate to the Customer segments on the "Additional Information" tab of the bid workbook?**
 - Customer segment information provided in the bid workbook was derived using a sample subsegment of eligible Customers, not the full population of eligible Customers identified in the RFP.
- **Will the list of the companies affiliated with the largest 500 Con Edison Accounts within the eligible service territories be available to Portfolio Managers?**
 - Portfolio Managers will not need to identify the Top 500 customers. Once contracted, Portfolio Managers will receive the eligible Customer list (excluding the Top 500 Customers as outlined in the RFP).

Proposal Package Guidance

- **What are the IT and CRM requirements for Portfolio Managers?**
 - Portfolio Managers should have the ability to accurately collect and maintain project data through a Customer Relationship Management (CRM) or other data-storage system. Their CRM system will be expected to support specific fields as outlined in the RFP to support data format compatibility and project data package upload to the AMV Platform.
- **How will Customer data be provided to Portfolio Managers?**
 - Con Edison will set up a SFTP portal to support the transfer of eligible Customer information to Portfolio Managers.
- **Is there a specific eSignature service that NYSERDA and Con Edison require Portfolio Managers to use?**
 - Portfolio Managers can select a service of their choice, such as DocuSign.

Proposal Package Guidance

- **What are the responsibilities for Portfolio Managers around marketing efforts?**
 - Bidders should outline their marketing capability, resources available, and Customer acquisition plans in their RFP submission.
 - Con Edison and NYSERDA will provide co-branding guidelines. All marketing collaterals must be reviewed and approved prior to public release.
- **If a Portfolio Manager's Intervention incorporates real-time monitoring of upgraded end uses, do they still have to conduct site visits to support QA/QC requirements?**
 - Portfolio Managers should plan to conduct site visits. QA/QC plans are expected to verify that measures have been installed in accordance with building codes, local permit and licensing requirements. QA/QC requirements should always specify on-site checks where subcontractors have performed the work. NYSERDA and Con Edison also reserve the right to perform inspections to ensure work has been completed in compliance with code and other pilot requirements.

Eligibility Guidance

- **Why is the limit 300 kW average annual demand? Can this limit be increased?**
 - The 300kW average peak demand limit is based on Con Edison's Customer rate classes for small businesses. It will not be modified.
- **On Page 7 of the RFP, the graphic shows approximately 10% of eligible Customers are residential, with another 13% as multi-family common areas. Can you please provide clarity on this inclusion, as well as clarification on the number of eligible Customers per sector?**
 - The Pilot will target all eligible Customers categorized under service classes 2 and 9, including multi-family common spaces and residential single family that have been categorized in this service class due to their property management classification. Portfolio Managers will be provided additional information on Customers in each segment after an award is made.

Eligibility Guidance

- **Are participants eligible to participate in and/or receive incentives from other Con Edison programs?**
 - No, eligible Customers cannot receive incentives from other energy efficiency programs, with the exception of demand response programs and other exceptions listed on Page 9 of the RFP.
 - Eligible P4P Customers are allowed to receive Con Edison's Heat Pump incentive. It is up to you or your Customer to apply for this separately outside of the P4P Pilot.
- **Will a Customer become ineligible for this Pilot if they choose to implement only a single measure for their Project?**
 - Single measure adoption due to a Customer's desire to install is not a disqualifier for a Project to be included in a Portfolio Manager's Portfolio. However, if the implementation of single measure Projects becomes a pattern of behavior, then the Portfolio Manager will be engaged by Con Ed and NYSERDA and may be subject to contract modifications.
- **Are participants eligible to participate in and/or receive incentives from other NYSERDA programs in these geographic territories?**
 - Yes, eligible Customers can still participate in NYSERDA's RTEM and Clean Heating & Cooling programs. It is up to the Portfolio Manager or Customer to apply for this separately outside of the P4P Pilot.

Non-Routine Event (NRE) Considerations

- **Who is responsible for collecting information on any NRE?**
 - The AMV Platform will screen all projects on an annual basis to detect energy consumption patterns suggestive of possible NRE activity.
 - Portfolio Managers should also monitor their Projects' performance and report any identified NREs.
- **Will information on NRE detection and confirmation be available to the Portfolio Manager?**
 - Yes, the AMV Platform provides Portfolio Managers with the ability to review individual Projects within their Portfolio and see those that have been flagged for review based on reported or detected NRE activity.
- **Are NREs identified by unexpected changes in total energy consumption, or gas or electric-only consumption events? Will the implementation of an overall beneficial fuel-switching measure trigger an NRE?**
 - Changes in either electric or natural gas consumption could trigger an NRE independently. If a fuel switch were to trigger an NRE, the Project would be reviewed, and after confirming that the NRE was the result of a beneficial fuel switch, a non-routine adjustment (NRA) would not be applied to the Project.

NRE Considerations

- **Who is responsible for processing and documenting non-routine adjustments (NRA)?**
 - The Pilot Evaluation Contractor is responsible for processing NRAs. NRA approvals will be tracked and documented in the AMV Platform and can be viewed by Portfolio Managers at any time. All Project payment adjustments will be calculated by the AMV Platform and are considered binding for contracted Portfolio Managers.
- **Will NRA payments only include the gas savings, or will electric savings be converted into the agreed upon MMBtu rate?**
 - An NRA can be applied to electric and/or gas savings. In addition, each Portfolio Manager(s) contracted payment / energy unit (\$ / therm and \$ / kWh) are considered equal or equivalent values.

Natural Gas Savings Calculations

- **How is the Gas Kicker payment calculated?**
 - The AMV Platform will calculate gas savings across projects located in the Westchester area during January and February and submit these for the x2 Gas Kicker payment.
 - Gas Kicker payments are calculated as part of each project's Annual Adjustment Payment.
- **Will the Gas Kicker payment be calculated in Year 1 of the performance period?**
 - Yes, Gas Kicker payments are calculated as part of each project's Annual Adjustment Payment starting in Year 1 and ending in Year 3.
- **What interval of gas consumption will be used in the AMV assessment?**
 - Hourly interval in 100 ccf will be provided for all Customers with gas AMI data. Monthly data will be provided for all other Customers.

Natural Gas Savings Calculations

- **Should Portfolio Manager's consider Gas Kicker payments as part of their implementation strategy?**
 - Gas Kicker payments are set as a motivating factor for Portfolio Managers. Portfolio Manager's are encouraged to develop cost-effective and comprehensive packages that will effectively target gas savings in the Westchester area.
 - The Gas FSU is automatically calculated in the bid package workbook for your Portfolio. All bidders are encouraged to provide a Portfolio level FSU for both gas and electric of 25% or less.
 - Proposers should not include any calculation of the x2 Gas Kicker payment in their bid request. This will be calculated during contracting and considered additive.

Pilot Awareness and Marketing Support

- **Con Edison's Campaign Support**

- Con Edison to host websites with Pilot program details and Green Button Connect enrollment instructions.
- Launch Customer awareness email campaign targeted for eligible Customers.
- Con Edison to provide information/ support to help Portfolio Manager(s) develop marketing collaterals, and to handle Customer inquiries.

- **Joint Pilot Marketing Efforts**

- Portfolio Manager(s) will use cobranding guidelines provided for all collaterals and communications to Customers; which should be submitted to Con Edison/ NYSERDA for approval at least 30 days prior to public release.
- NYSERDA will also launch a small business education campaign (Put Energy to Work) to create awareness of energy efficiency, Portfolio Managers should coordinate on timing for all marketing campaign with ConEdison / NYSERDA.

- **Customer Acquisition**

- Portfolio Managers have full responsibility for all Customer acquisition activities.
- Con Edison will provide targeting metrics in the customer eligibility list.

Bid Package Workbook (Example)

↓ Bidders request a total contract value (not calculated)

↓ # Projects should be estimated over two (2) years

Bid/Total Requested Contract:		\$ 2,500,000.00				
Field	Sub-Portfolio 1	Sub-Portfolio 2	Sub-Portfolio 3	Sub-Portfolio 4	Sub-Portfolio 5	Sub-Portfolio 6
Territory	Westchester	Westchester	Staten Island	Westchester		
Building End Use	Small Office	Small Retail	Large Multi-Family - Common Area	Miscellaneous/Entertainment		
Number of Projects	100	100	50	50		
Sub-Portfolio	Measure Description	Annual Unit Energy Savings (kWh)	Annual Unit Energy Savings (Therms)	Units	EUL	Expected Volume Per year on average
Sub-Portfolio 1	Advanced Power Strips (Tier 1)	57.5	0	per device		8
Sub-Portfolio 1	DHW Control - Faucet Aerator	0	10	per device		10
Sub-Portfolio 1	Lighting (LED screw-in bulb)	250	-1	per bulb		20
Sub-Portfolio 1	Pre-Rinse Spray Valve	0	100	per device		5
Sub-Portfolio 1	HVAC Controls (Programmable t-stat)	100	50	per unit		11
Sub-Portfolio 2	Lighting (LED Fixture)	102	-2	per fixture		20
Sub-Portfolio 2	Lighting Controls (Occupancy Sensor)	150	-2	per device		8
Sub-Portfolio 2	HVAC Controls (Programmable t-stat)	100	50	per unit		11
Sub-Portfolio 2	Heat Pump	-1,000.00	200	per unit		15
Sub-Portfolio 2	Lighting (LED screw-in bulb)	250	-1	per bulb		20
Sub-Portfolio 2	Lighting Controls (Occupancy Sensor)	150	-2	per device		8
Sub-Portfolio 2	Advanced Power Strips (Tier 1)	57.5	0	per device		8
Sub-Portfolio 2	DHW Control - Faucet Aerator	0	10	per device		10
Sub-Portfolio 3	Advanced Power Strips (Tier 1)	57.5	0	per device		8
Sub-Portfolio 3	Lighting (LED screw-in bulb)	250	-1	per bulb		20
Sub-Portfolio 3	HVAC Controls (Programmable t-stat)	100	50	per unit		11
Sub-Portfolio 4	DHW Control - Faucet Aerator	0	10	per device		10
Sub-Portfolio 4	Pre-Rinse Spray Valve	0	100	per device		5
Sub-Portfolio 4	Lighting (LED screw-in bulb)	250	-1	per bulb		20

↑ Measure values should be annual estimates read instructions for guidance

Bid Package Workbook (Example)

Levelized costs and payment rates will be calculated

Bid/Total Requested Contract:	\$ 2,500,000.00		
Levelized Cost/MMBtu	\$ 8.43	Payment/Therm	\$ 3.87
		Payment/kWh	\$ 0.13
Electric Savings FSU	8.0%	Weighted EUL	13.78
Natural Gas Savings FSU	17.6%		

Bids are assessed on this value

Payment per unit of energy saved for
the 3-year performance term



Payment Process and Calculations

- **Year 1 Initial Payment** = $0.5 \times \text{predicted annual savings} \times \text{Payment/Energy Unit}$
- **Years 2 and Year 3 Initial Payments** = $0.5 \times \text{prior year payable meter-based savings} \times \text{Payment/Energy Unit}$
- **Annual Adjusted Payment** = $\text{annual Payable meter-based savings} \times \text{Payment/Energy Unit} - \text{previous Initial Payment} + \text{Gas Kicker}$

Payment Process and Calculations

Payment Example		year 1				year 2				year 3				year 4				year 5				
# Projects	inst. date	q1	q2	q3	q4	q1	q2	q3	q4	q1	q2	q3	q4	q1	q2	q3	q4	q1	q2	q3	q4	
10	y1q1		\$14,850				\$38,629				\$38,629				\$23,778							
20	y1q2			\$29,701				\$77,257				\$77,257				\$47,557						
50	y1q3				\$74,251				\$193,143				\$193,143				\$118,891					
30	y1q4					\$44,551				\$115,886				\$115,886				\$71,335				
20	y2q1						\$29,701				\$77,257				\$77,257				\$47,557			
10	y2q2							\$14,850				\$38,629				\$38,629					\$23,778	
5	y2q3								\$7,425				\$19,314				\$19,314					\$11,889
cashflow		\$0	\$14,850	\$29,701	\$74,251	\$44,551	\$68,329	\$92,107	\$200,568	\$115,886	\$115,886	\$115,886	\$212,457	\$115,886	\$101,035	\$86,185	\$138,206	\$71,335	\$47,557	\$23,778	\$11,889	

- Portfolio Manager's payments are processed at the end of each quarter. Projects are batched based on the quarter in which they were added to the Portfolio.
 - Each Project within the Portfolio will receive a total of three (3) Initial Payments and three (3) Annual Adjusted Payments.
 - No minimum batch size but batching impacts cashflow
- Project Batching – e.g. 10 projects are installed between Jan 1-March 31st Y1Q1
 - Assume predicted saving ~ metered savings
 - Year 1 Initial Payment occurs in Y1Q2 and should be 50% of predicted savings
 - If predicted savings are reasonably close Year 2 and 3 should be ~ 100% of predicted savings

Payment Process and Calculations

- **Is it possible for a Portfolio Manager to have a negative value for their Annual Adjusted Payment? If so, what happens?**
 - Yes, it is possible for a Portfolio Manager to receive a negative Annual Adjusted Payment if your actual metered savings fall below 50% of predicted savings.
 - If this happens, then the negative value will reduce the applicable Portfolio cohort payment.
 - In the unfortunate and unlikely scenario that an entire Portfolio cohort payment is a negative value, then it will be assessed against the payment for next quarter.
- **Can Portfolio performance impact contract terms?**
 - Contract modification including payment and contract amount may be made if:
 - Less than 25% of expected Customers are enrolled by end of Year 1 of the Implementation Period
 - Greater electric or gas savings are achieved than the contracted value
 - Weighted average EUL for the Portfolio changes more than 10% from bid submission

Payment Process and Calculations

- **Will there be a limit to the amount of contract increase involved with certain additional scenarios, as referenced in the Contract Management and Performance terms?**
 - There will be no cap for over-performance of Portfolios, provided that Portfolio Managers are submitting Projects that are reasonably in keeping with their proposals.
 - However, funding for this Pilot will be bounded by the funding currently allocated in NYSERDA's P4P Investment Plan.

Case 1 – Accurate projections

Actual savings = 100% Estimated savings

Total projected savings value = \$ 90,000

Payment / Energy Unit = \$ 30/MMBtu

Case 1- Accurate Projections

Payment Year	Year 0		Year 1		Year 2		Year 3		Total
Projected Savings (MMBtu)				1000		1000		1000	3,000
Actual Savings (MMBtu)				1000		1000		1000	3,000
Initial Payments	\$	15,000	\$	15,000	\$	15,000			
Annual Adjustment for previous year			\$	15,000	\$	15,000	\$	15,000	
Total Incentive Payments	\$	15,000	\$	30,000	\$	30,000	\$	15,000	\$ 90,000
Actual Incentive Payments Earned			\$	30,000	\$	30,000	\$	30,000	\$ 90,000

- Year 0 represents Project being added to Portfolio and quarterly cohort, first Initial Payment disbursed.

Case 2 – Underperforms

Actual savings = 50% of Estimated savings

Total projected savings value = \$ 90,000

Payment / Energy Unit = \$ 30/ MMBTU

Case 2 - Underperform

Payment Year	Year 0	Year 1	Year 2	Year 3	Total
Projected Savings (MMBtu)		1000	1000	1000	3000
Actual Savings (MMBtu)		500	500	500	1500
Initial Payments	\$ 15,000	\$ 7,500	\$ 7,500		
Annual Adjustment for previous year		\$ -	\$ 7,500	\$ 7,500	
Total Incentive Payments	\$ 15,000	\$ 7,500	\$ 15,000	\$ 7,500	\$ 45,000
Actual Incentive Payments Earned		\$ 15,000	\$ 15,000	\$ 15,000	\$ 45,000

- After Year 1, Project savings at half of what was expected. Initial payment for Year 2 will be based on 50% of Year 1 meter-savings (50% of \$15,000).

Case 3 – Overperforms

Actual savings = 150% Estimated savings

Total projected savings value = \$ 90,000

Payment / Energy Unit = \$ 30/ MMBtu

Case 3- Overperformance

Payment Year	Year 0	Year 1	Year 2	Year 3	Total
Projected Savings (MMBtu)		1000	1000	1000	3000
Actual Savings (MMBtu)		1500	1500	1500	4500
Initial Payments	\$ 15,000	\$ 22,500	\$ 22,500		
Annual Adjustment for previous year		\$ 30,000	\$ 22,500	\$ 22,500	
Total Projected Incentive Payments	\$ 15,000	\$ 52,500	\$ 45,000	\$ 22,500	\$ 135,000
Actual Incentive Payments Earned		\$ 45,000	\$ 45,000	\$ 45,000	\$ 135,000

- After Year 1, Project Manager brought in 50% more savings. Year 2 Initial Payment adjusted to reflect prior year meter savings.
- Year 2 and 3 continues to overperform: Initial Payment for Year 3 will be based on 50% of Year 2 meter-savings (50% of 1800 MMBtu)

Timeline and Next Steps



All additional questions should be sent to bepconed@nyserda.ny.gov

Webinar slide deck and RFP FAQs will be posted end of day to:

[NYSERDA's Business Energy Pro website](#)
[Con Edison Business Energy Pro website](#)